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JULY 4, 1988

CableVision

INFORMATION AND ANALYSIS FOR CABLE TELEVISION MANAGEMENT

TNT SETS OPENING LINEUP

TAFT LANDS IN WTCI'S LAP

CBS: NO CABLE, BETTER NET AHEAD

BASICS TAKE SYSTEM PROMO COURSE

SMOOTH OPERATORS: LIFE IN THE BACK LANE

OH, THEM BABY BELLS... ARE THEY PRIMED ENOUGH FOR CABLE?

CableVision

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Cover art arranged by Don Ruth

De Lin BETWEEN THE LINES

NTIA's cable report raises few real issues

As is usually the case with government studies, the report by the National Telecommunications and Information Administration recommending changes in the regulatory framework surrounding cable television has produced much chaff but precious little wheat.

And almost all the public discussion and newspaper reporting on the half-inch thick NTIA report has focused on the chaff: allowing the broadcast networks to own cable systems, repealing the compulsory license, eliminating exclusive franchises, permitting local telephone companies to provide "video dial tone" service.

All those recommendations are aimed, says NTIA head Alfred Sikes, at increasing competition in the video marketplace. And so they might, but to what benefit to the public interest seems unclear. But let's put aside that question for the moment to look at some genuine wheat in the NTIA report, a substantial portion of which is devoted to ways in which local telephone companies could make available transport facilities and support services to video providers.

At no point in the report does NTIA suggest directly or indirectly that the cable/telco cross-ownership ban be repealed or amended in any significant way. To the contrary, the report urges that "local telephone provision of video transport facilities (whether or not done through acquisition of existing cable systems or by new construction of broadband local telephone network facilities), should be kept separate from ownership and control of the programming in order to maximize diversity and competition among program providers." If that isn't clear enough, a page later the report drives home the point that "To be clear, however, we do not recommend any change in the current rules prohibiting local telephone companies from providing video programming directly to subscribers within their service areas."

In other words, the telcos would remain common carriers, prevented from cross-subsidizing non-regulated operations from the subscriber rate base. All of which sounds, unintentionally to be sure, like the position taken by the cable industry for years: we don't oppose competition from anyone, including the telcos, as long as the threat of cross-subsidization is removed.

Once that major point is understood, the NTIA report can be seen as a great deal of tinkering with the statutory relationships between cable operators and franchising authorities. And that in itself is unusual. Republican administrations are not known for invading the turf of state and local governments, as NTIA does in asserting that "grant of authority to construct (a cable system) to one operator provides no basis for barring entry by others."

The rest of the report is composed of recommendations that seem passe or at most non-threatening. Repeal of the compulsory license would have prompted a storm of protest a few years ago, but the industry's reliance on distant signals now is greatly diminished. Allowing the broadcast networks to own cable systems simply translates into more potential buyers bidding up already-high prices (and while the networks are good at many things, managing a customer service business like cable doesn't seem to be one of them; just ask Bill Strange what shape he found the Blackhawk system after he bought it from CBS).

As a final jab at the cable industry, NTIA attacks horizontal integration and suggests that cable ownership has become too concentrated. But concentration of ownership is not a cable industry problem; it may be a TCI problem, but in any event it would not be acceptable to single out the industry for ownership limits more stringent than other communications media, notably the Hollywood studios.

After digesting the NTIA report, it's understandable that the NCTA seemed hard pressed to voice a protest. There simply isn't much substance to it.

—Steve Tuttle
Editor and Associate Publisher

CableVision

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July 4, 1988
Volume 12, Number 47

ITCI
INTERNATIONAL THOMSON COMMUNICATIONS INC.

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CableVision (USPC 547-410) (ISSN 0361-8374) is published biweekly by International Thomson Communications Inc., 600 Grant Street, Suite 600, Denver, Colorado 80203 -or- P.O. Box 5208-TA, Denver, CO 80217. July 4, 1988, Volume 12, Number 47. Subscription price: 1 year, $46.00; 2 years, $82.80. Outside USA 1 yr.-$124, 2 yr.-$205, 3 yr.-$274. PREPAYMENT IN U.S. FUNDS ONLY! Second-class postage paid at Cleveland, Ohio and additional mailing offices. POSTMASTER: Please send address changes to, *CableVision*, 600 Grant St., Suite 600, Denver, Colorado 80203.

ABP BPA

PROGRAMMING/Pay-Per-View Supply Chart

July	Source
Biggles-The Adventures in Time (7/1) MPAA Rating: PG Running Time: 87.51 mins. Cast: Alex Hide-White, Fiona Hutchinson, Peter Cushing.	New Century/Vista
Fatal Attraction (7/1) MPAA Rating: R Running Time: 119 mins. Cast: Michael Douglas, Glenn Close.	Paramount
Hello Again (7/21) MPAA Rating: PG Running Time: 96 mins. Cast: Shelley Long, Courbin Benson, Judith Ivey.	Touchstone
Home is Where the Hart Is (7/1) MPAA Rating: PG13 Running Time: 86 mins. Cast: Valerie Bromfield, Martin Mull.	Paramount
Hope and Glory (7/1) MPAA Rating: PG13 Running Time: 113 mins. Cast: Sarah Miles, David Hayman, Derrick O'Conner.	Columbia
Ironweed (7/22) MPAA Rating: R Running Time: 120 mins. Cast: Jack Nicholson, Meryl Streep.	HBO Enterprises
Leonard Part 6 (7/15) MPAA Rating: PG Running Time: 83 mins. Cast: Bill Cosby, Tom Courtney, Gloria Foster.	Columbia
Nuts (5/16) MPAA Rating: R Running Time: 116 mins. Cast: Barbara Streisand, Richard Dreyfuss, Maureen Stapleton.	Warner Bros.
Orphans (7/1) MPAA Rating: R Running Time: 115 mins. Cast: Albert Finney, Mathew Modine, Kevin Anderson.	Lorimar
Overboard (7/1) MPAA Rating: PG Running Time: 112 mins. Cast: Goldie Hawn, Kurt Russell, Edward Herrmann.	MGM/UA
Rent A Cop (7/1) MPAA Rating: R Running Time: 110 mins. Cast: Burt Reynolds, Liza Minelli.	HBO Enterprises
Siesta (7/14) MPAA Rating: R Running Time: 97 mins. Cast: Ellen Barkin, Isabelle Rossellini, Gabriel Bryne.	Lorimar
Teen Wolf II (7/1) MPAA Rating: PG Running Time: 95 mins. Cast: Jason Bateman, Kim Darby, John Astin.	Paramount
The Underachievers (7/22) MPAA Rating: NR Running Time: 91 mins. Cast: Edward Albert, Barbara Carrera, Lee Arenberg.	Vestron

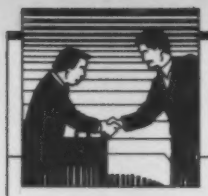
August	Source
Action Jackson (8/1) MPAA Rating: R Running Time: 95.58 mins. Cast: Carl Weathers, Vanity.	Lorimar
Brain Damage (8/11) MPAA Rating: R Running Time: 84 mins. Cast: Rich Herbst, Gordon McDonald, Jennifer Lowry.	Paramount
Bugs Bunny Superstar (8/1) MPAA Rating: G Running Time: 91 mins. Cast: Animated.	MGM/UA
D.O.A. (8/19) MPAA Rating: R Running Time: 98 mins. Cast: Dennis Quaid, Meg Rynn.	Touchstone
Eddie Murphy "Raw" (8/11) MPAA Rating: R Running Time: 91 mins. Cast: Eddie Murphy.	Paramount
Hello Mary Lou: Prom Night II (8/1) MPAA Rating: R Running Time: 96 mins. Cast: Michael Ironside, Wendy Lyon.	S. Goldwyn
The Manchurian Candidate (8/19) MPAA Rating: PG13 Running Time: 128 mins. Cast: Frank Sinatra, Laurence Harvey.	MGM/UA
September (8/1) MPAA Rating: PG Running Time: 82 mins. Cast: Mia Farrow, Denholm Elliott, Diane Wiest, Jack Warden.	Orion
A Tiger's Tale (8/11) MPAA Rating: R Running Time: 91 mins. Cast: Ann-Margaret, C. Thomas Howell, Charles Durning.	Paramount
Wall Street (8/1) MPAA Rating: R Running Time: 126 mins. Cast: Michael Douglas, Charlie Sheen, Darryl Hannah.	20th Century-Fox

Note: Running times are approximate.
NR indicates film not rated by MPAA.
* Unavailable at presstime.

Film information provided to International Thomson Communications Inc. by distributors.

Pay-Per-View Services Profile

	LAUNCH	DELIVERY	ENCRYPTION	PROGRAMMING	SUBSCRIBERS
Cable Video Store	April 1, 1986	Galaxy III, tr.5	VideoCipher II	Movies, how-to's, special events. 24 hours per day, ap prox. 50 titles per month	Available in systems serving 1,000,000 addressable subscribers)
Home Premiere Television	December 4, 1987	Galaxy III, tr. 16	VideoCipher II	First-run movies, special events.	Available in systems serving 2,400,000 subs. (1.2 million addressable).
Playboy On Demand	September 1, 1987	Satcom IV, tr.24	VideoCipher II	Original Playboy programs and adult motion pictures.	Available in systems serving 1,000,000 addressable subscribers
Request Television	November 27, 1985	Galaxy I, tr. 12	VideoCipher II	Min. of four major motion pictures per week over 14-day cycle, special events	Available in systems serving 4 million subs. (2.8 million addressable).
Viewer's Choice	November 26, 1985	VC-1: Galaxy III, tr. 21, VC-2: Galaxy III, tr. 18	VideoCipher II	Channels I & II: First-run movies, special events	Available in systems serving over 3 million subs.
Zap! Movies	June 5, 1986	Spacenet II, tr.1,3,11,23	VideoCipher II	Channel 1: 2 movies per week, the newest and top-selling. Channel 2: Cult favorites, and top of the charts video store sellers. Channel 3: Additional plays of movies on 1 & 2 (frequency channel).	Available in systems serving 160,000 subs.(60,000 addressable).



Prepping for the big catch

Regional BOCs get a pre-cable education from other media flings

By Virginia Munger Kahn

With a new government report urging the entrance of the telephone companies into the cable business and one firm, Pacific Telesis, already actively looking to acquire a major operator, no one seems to question the inevitability of telephone company involvement in the industry anymore. The big question remains when and exactly how they will become involved, and how effective they will be in competing against established operators.

While on a superficial level, the Regional Bell Operating Companies (RBOCs) spun off from AT&T in 1984 might seem easy competitors because of their history of operating in a regulated environment, in fact, these seven companies represent powerful financial institutions that at this moment are testing the competitive waters of several businesses.

Most of the companies boast revenues well in excess of $8 billion a year: NYNEX and BellSouth are at the top with $12 billion a year in revenues, while earnings often exceed $1 billion. In contrast, Tele-Communications, Inc. this year broke the $1 billion revenue level.

Most of that money comes from providing basic local telephone service, but increasingly these companies are moving into related businesses such as cellular telephones, communications software, and the publishing of directories. Some have been more successful than others at diversification, but the bottom line is that by the time the seven regional Bells are allowed to compete against cable operators, they will have several years of competitive experience under their belts and millions of dollars in resources that are not derived from their regulated activities.

What is pushing the seven RBOCs into non-regulated areas today is their desire to grow their companies and increase profits. While executives with the companies are loathe to admit it, telephones are not exactly a hot growth industry. In most cases, the number of customer lines are increasing at a rate of only two to four percent a year. The business is incredibly steady, but it is constrained by its maturity and by extensive regulation at the state and federal levels.

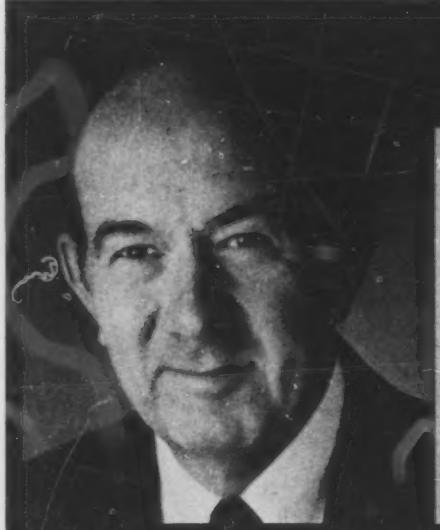
As a result, the most important item on most telco agendas today is changing the regulatory environment in which they must do business by knocking down the "artificial" walls the Modified Final Judgment raised, and by restructuring the way they earn their money from basic local telephone service.

A significant victory was scored recently when U.S. District Court Judge Harold Greene decided to allow the RBOCs to enter communications venues unrelated to their core business without having to come to the court for approval and then in a related decision earlier this year, allowed them to provide gateways for information services. The telcos still are not allowed to provide information services such as cable television under the MFJ, nor are they allowed to provide cable in their service areas under the cross-ownership restrictions of the Cable Act.

The other major regulatory area under attack by the telcos is that of rate regulation at both the state and federal levels. The Federal Communications Commission is considering an alteration of the system by which the RBOCs have been regulated, from one that is based on a rate of return to one that is based on price caps. The RBOCs charge that rate of return regulation provides no incentives for the companies to maximize efficiencies, whereas a system in which prices are set and then any efficiencies that are achieved below that price may be kept as profits would foster a more competitive environment.

At the same time, the companies have been spending billions of dollars rebuilding their existing networks so that they are capable of handling increased voice and data communications and can provide enhanced telephone services such as message storage and voice mail. Last year, for example, Ameritech spent $1.9 billion on new construction. U.S. West spent $1.6 billion on new equipment, including nearly 24,000 miles of fiber optic cable and more than 100 digital switching centers. Whereas BellSouth spent over $3 billion, not only installing fiber systems but also new customer lines trying to keep up with the fast population growth in its service area.

The companies also are investing in new system architectures such as the Integrated Services Digital Network, which is intended to provide users with simultaneous voice, data and video



William Weiss Chairman, CEO

AMERITECH

ILL., IND., MICH., OHIO, WISC.

Revenues:	$9,536
Net Income:	$1,188
Total Assets:	$18,784
Long-term Debt:	$4,389
Telephone Lines:	15,094,000
Employees:	78,510

Note: Dollars in millions
Figures as of Dec. 31, 1987

paths over the same telephone line.

John Bain, telecommunications analyst at Shearson Lehman Hutton, notes that there have been virtually no technological changes in the local loop for the last 100 years and that on average, the local system is used just 23 minutes per day. Increasing the use of these networks will be a key telco goal in the future, in order to better utilize these new networks.

One measure of telco financial success is the amount of outside financing they must raise in order to fund their network rebuilds and new business ventures. As Ameritech noted in its annual report, 100 percent of its construction costs in 1987 were internally generated. Southwestern Bell reported that last year, it covered its construction and other capital expenditures 1.36 times with internally-generated funds. That's after paying dividends to shareholders.

For the most part, the RBOCs rarely have to go to the public markets for financing, notes Frank Governali, industry analyst at Kidder Peabody. Once in a while, they might issue short-term commercial paper. "But unless it's a huge acquisition, say over $1 billion," the companies are financed entirely with internal cash, he said.

The strength of the telephone business has allowed the RBOCs to increase earnings about five-to-seven percent a year for the last three years, while increasing dividends at a rate of between seven and 10.5 percent on a compounded basis since divestiture, according to figures compiled by Fulton Holmes, analyst at Thomson McKinnon Securities.

Cost pressures rise as a result of inflation and taxes. However, the companies have been able to offset those pressures through economies of scale and technological developments which provide productivity increases between three and four percent a year, according to Bain. As such, the companies have laid off a substantial number of employees since divestiture.

The average total return on an RBOC stock investment then is about 11 percent a year, according to Donna Meidinger, an analyst with A.G. Edwards in St. Louis. That's not bad, considering government bonds return less than that and other stocks tend to be more volatile. Meidinger says her company is recommending and buying all seven of the regional telcos.

Considering the success and financial solidity of the telephone industry, one would have to wonder why the RBOCs are so intent on risking their financial necks by getting into new areas of business. As one analyst noted, the downside risks are far greater than the upside.

Yet the stock market is rewarding those companies that have been most successful in their diversification efforts, while penalizing those RBOCS that have fared less well or not done enough. Bain admits the new lines of business still are too small to have a significant impact on the companies' financial status, but the diversification efforts have had an important impact on how well the companies' stocks are doing. "While the 'e' is not higher (in price/earnings ratios), the 'p' is," he says.

Those companies with the highest p/e ratios—that is where the stock is most expensive—are BellSouth at 11.1, Bell Atlantic at 10.8 and Pacific Telesis at 10.7, according to figures compiled by Holmes. The cheapest stocks are U.S. West at 9.6 and NYNEX at 9.7.

The companies themselves put their diversification moves in terms of their desire to keep generating profits. Cognizant that their basic business will always be regulated in some form and that continued low inflation will make regulatory bodies unwilling to grant rate increases, the RBOCs are now striving to increase the percentage of their revenues that come from non-regulated activities.

Several firms already admit most of

See **Telco**, *page 40*

Thomas Bolger Chairman

BELL ATLANTIC
DEL., MD., N.J., PA., VA., W.VA., D.C.

Revenues:	$10,298
Net Income:	$1,240
Total Assets:	$21,245
Long-term Debt:	$5,199
Telephone Lines:	16,056,000
Employees:	80,950

Note: Dollars in millions
Figures as of Dec. 31, 1987

This notice appears as a matter of record only

SOLD
The cable television assets of Freeport Cablevision, Inc., serving Freeport, Florida. This sale represents over 130 basic subscribers. Landis C. Williams represented the seller in this transaction.
June, 1988

SOLD
The cable television assets of Valley Cablevision, Inc., serving Alvord and Silver Lake, Indiana. This sale represents over 228 basic subscribers. Karen Thompson represented the seller in this transaction.
May, 1988

SOLD
The cable television assets of Pueblo County Cable, Inc., to TCI Cablevision, Inc. We represented the seller in this transaction.
May, 1988

PYMS CABLE BROKERAGE, INC.

Pamela A. Pyms, President
222 Milwaukee Street
Denver, Colorado 80206
303 388 8168

PACIFIC TELESIS
CALIF. NEV.

Revenues:	$9,131
Net Income:	$950
Total Assets:	$21,056
Long-term Debt:	$5,321
Telephone Lines:	12,525,000
Employees:	71,877

Note: Dollars in millions
Figures as of Dec. 31, 1987

Sam Ginn Chairman, CEO

Telco, *from page 38*

the growth in net income during 1987 came from these new enterprises. According to Jerry Brown, a spokesman for U.S. West, the non-telephone businesses were profitable for the first time last year, and while the amount of profit—$8 million—was not much, that's where all of U.S. West's earning growth came from. Bell Atlantic, considered the most successful diversifier so far, reported its non-regulated businesses contributed more than $46 million in net income, 3.7 percent of the total. Earnings grew 7.8 percent last year.

On average, most of the RBOCs get about 40 percent of their revenues from local telephone service these days, according to Audrey Stevoff, telecommunications analyst at Duff & Phelps. Access charges for long distance carriers comprise another 28 percent, and toll charges account for another 15 percent. Nine percent of remaining revenues are other telephone-related sources and about eight percent comes from non-telephone related sources. Stevoff estimates that within five years, between 15 and 20 percent of the RBOCs revenues will be coming from non-telephone related businesses.

While Stevoff notes that regulatory changes could help the companies continue to increase profits in their traditional business, the preponderence of income growth in the future will have to come from the non-regulated side of the business, she and others say.

The companies have taken divergent

NYNEX
ME., MASS., N.H., N.Y., R.I., UT. CONN.

Revenues:	$12,084
Net Income:	$1,277
Total Assets:	$22,786
Long-term Debt:	$6,078
Telephone Lines:	14,415,000
Employees:	95,300

Note: Dollars in millions
Figures as of Dec. 31, 1987

D.C. Stales Chairman, CEO

paths toward diversification, but in general they have focused on three primary areas, each with varying success and each with varying aggression: cellular telephones, computer software/hardware, and publishing.

Right now, the biggest RBOC players in the cellular business are Pacific Telesis, Southwestern Bell and BellSouth in that order, according to figures compiled by Paul Kagan Associates. PacTel early on realized the importance of mobile communications in markets like Los Angeles and San Francisco and moved into the business in 1986.

In fact, the company's strategy in moving into cellular three years ago provides a critical clue to its current cable moves. The diversification into cellular was handled by Sam Ginn, PacTel's new chairman. What the company did was agree to acquire a cellular company, Communications Industries, and then went to U.S. District Court to seek a waiver for completing the acquisition. The waiver was granted and PacTel became the first RBOC to move into cellular.

"A comparison with that and cable is not at all inappropriate," said Diane Olberg, a spokeswoman for the company. "Sam Ginn takes credit for it. He was in charge of diversification at that time," she says. At the company's annual meeting in April, Ginn publicly expressed his interest in the cable business, and in recent weeks PacTel's interest in Storer Communications and Rogers Communications has been revealed.

Today, PacTel is the second largest player in the cellular telephone business after McCaw Cellular. The company has licenses to serve 32 communities with 28 million households, according to Kagan figures, including not only its California markets, but also Detroit and a newly acquired license in Athens, Ga.

The biggest cellular acquisition so far has been made by Southwestern Bell. Several analysts note the company faces an extremely difficult market for its basic telephone service. It serves Texas and Oklahoma, among other states.

"It has the worst underlying fundamentals, so they have to be more aggressive" on diversification, says James Meyer, analyst at Janney Montgomery Scott. Last year, the company completed the $1.4 billion acquisition of Metromedia's paging and cellular properties. Analysts view the acquisition with mixed assessments. While some, like Shearson's Bain, notes that those cellular properties are worth double what they were bought for last year, other analysts say they remain uneasy with the price Southwestern Bell paid for the operations.

SOUTHWESTERN BELL
ARK., KAN., NO., OKLA., TEX.

Revenues:	$8,003
Net Income:	$1,047
Total Assets:	$21,500
Long-term Debt:	$5,649
Telephone Lines:	11,105,000
Employees:	67,100

Note: Dollars in millions
Figures as of Dec. 31, 1987

June 1988
This Notice Appears As A Matter of Record Only.

SOLD:
Kitsap Trooper Cable TV, LTD.
Northwest Partners II, LTD.

Serving:
N. Bainbridge Island,
Suquamish & Indianola, Washington

SOLD TO:
Northland Communications Corporation

Pat Thompson Co.
represented the seller

Pat Thompson Co.

COMMUNICATIONS BROKERS
5613 D.T.C. PARKWAY, SUITE 700 ENGLEWOOD, CO 80111 (303) 779-0880

BELL SOUTH

ALA., FLA., GA., KY., LA., MISS., N.C., S.C.

Revenues:	$12,269
Net Income:	$1,665
Total Assets:	$27,417
Long-term Debt:	$6,320
Telephone Lines:	15,700,000
Employees:	98,700

Note: Dollars in millions
Figures as of Dec. 31, 1987

Nevertheless, the company remains in the middle of the pack when it comes to its stock market performance, which indicates that despite its poor fundamental outlook, its diversification moves are viewed positively.

Cellular is viewed as a natural outgrowth of the telcos' normal business. The same is true of their moves into computer software, particularly the acquisition of companies that provide communications software; almost all the RBOCs have made such purchases within the past three years. The most recent is NYNEX's $277 million acquisition of AGS Computers, which develops systems software applications for large corporations, including banks.

Despite the logic of such moves, however, not all these acquisitions work out. According to Stevoff, Ameritech's acquisition of Applied Data Research in Jan. 1986 has not done well. Ameritech bought the software producer just before IBM came out with a new database management program, and the division has been in the red for several years now, according to the analyst.

Where the RBOCs really have gotten burned has been in computer retail outlets and telephone equipment sales. In 1986, NYNEX acquired 81 stores from IBM. The division is still unprofitable after closing several outlets and expanding the sales force. "I thought they'd combine computers with their telecommunications"expertise, said Stevoff, "but they never did." Pacific Telesis is facing similar scalebacks at its computer retail outlets, as is Bell Atlantic.

The business of selling telephone equipment has probably been the most difficult. "It's a bloodbath out there,"said Stevoff. Whereas before divestiture there was only one company selling equipment, AT&T, there are now eight companies plus foreign firms doing the same thing. Yet Stevoff says the RBOCs cannot afford to get out of the business because they need to be able to provide equipment to their largest customers.

More successful have been efforts at equipment leasing and financing. Bell Atlantic Capital Corp. is now among the 10 largest leasing companies in the country, with an asset base of $2.6 billion. The company leases equipment from telephones to computers to airplanes.

Bell Atlantic also has been extremely successful in the computer maintenance business. According to industry reports, the company is the largest U.S. independent maintenance company, servicing more IBM equipment than any other company other than Big Blue.

One of the safest diversification moves the companies have made has been into yellow pages and/or directory publishing. The RBOCs were given the lucrative yellow pages business as part of the MFJ. In some cases, these businesses are included in the companies telephone-based sources of revenue.

Almost all the RBOCs say they are interested in moving into the cable business and almost all expect the barriers between the two industries eventually to come down. A U.S. West spokesperson explains his company's 10 percent investment in a cable system in France, Lyonnaise Communications, this way. "We are prohibited today, but we think eventually we'll be allowed in. This is a way to learn the business...Also, it's a good investment."

That is a sentiment echoed by many of the analysts who follow the telecommunications industry. While some caution that the RBOCs investments in businesses like cellular probably will always be bigger, cable presents good opportunities for these companies. Cable television will soon turn profitable, they note, and there's a "tremendous amount of compatability"between the two businesses, says Drexel Burnham Lambert analyst Patrick Jurczak.

One analyst suggests that the best way for the RBOCs to get involved in cable is to overbuild. "If the costs of fiber and the electronics continue to decline, they should overbuild," said Kidder Peabody's Governali. "It doesn't make sense to go out and acquire a cable company,"he added.

But that is exactly what one RBOC is trying to do now. While the recent NTIA report went part of the way in recommending that telcos be allowed to fulfill a video common carrier role and provide services such as billing, system maintenance, and order-taking services to operators, that is clearly not what PacTel has in mind.

The company is not so much interested in providing such peripheral services as in actually operating systems, a spokeswoman for the company said last week. "We certainly want the opportunity to provide content through a separate subsidiary,"said another PacTel executive.

As the research analysts and RBOCs themselves indicate, this probably is only the beginning. ■

Jack MacAllister Chairman, CEO

US WEST

ARIZ., COLO., IDAHO, IOWA, MINN., MONT., NEV., N.D., S.D., UTAH, WASH., WYOM.

Revenues:	$8,445
Net Income:	$1,006
Total Assets:	$19,095
Long-term Debt:	$19,095
Telephone Lines:	11,613,000
Employees:	68,523

Note: Dollars in millions
Figures as of Dec. 31, 1987

Cable network ad performance

April 1988 billings	April 1987 billings	Year-to-year Dollar change	Year-to-year % change
$55,998,600	$49,228,167	$6,770,433	14%

Top 10 cable net sponsors/April 1988

1. Procter & Gamble	$2,014,138	6. RJR Nabisco	$1,046,282
2. Philip Morris	$1,794,142	7. Mars	$838,189
3. General Mills	$1,640,206	8. Clorox	$812,008
4. Anheuser-Busch	$1,512,199	9. AT&T	$811,528
5. Chrysler	$1,134,882	10. Eastman Kodak	$797,169

Source: Broadcast Advertising Reports data; figures represent combined billings of CBN, CNN, ESPN, MTV, USA and Superstation TBS

	1st Qtr. 1988 billings	1st Qtr. 1987 billings	Year-to-year Dollar change	Year-to-year % change
CBN	$16,175,726	$14,331,636	+$1,844,090	11%
CNN	22,814,936	17,130,101	+ 5,684,835	33%
ESPN	30,516,851	27,285,701	+ 3,231,150	12%
MTV	17,813,939	19,171,026	- 1,357,087	-7%
USA	20,533,739	16,528,182	+ 4,005,557	24%
TBS	45,994,625	38,009,160	+ 7,985,465	21%

Source: Broadcast Advertising Reports data

Subscriber universe estimates

	Total TV households	Cable TV households	Cable % of TV households
A.C. Nielsen	89,030,990	46,296,110	52%
Arbitron	88,812,800	45,886,600	51.7%
Paul Kagan Associates	88,970,000	44,030,000	49.4%

Subscriber numbers as of May 1988
*Nielsen figures include Alaska and Hawaii

Top 100 MSO's

Rank	Multiple system operator	Basic subs	
1.	Tele-Communications Inc.	5,200,000	(12/87)
2.	American Television and Communications Corp.	3,780,000	(5/88)
3.	Continental Cablevision	2,228,000	(4/88)
4.	Storer Cable Communications	1,488,534	(5/88)
5.	Warner Cable Communications Inc.	1,454,989	(5/88)
6.	Cox Cable Communications	1,441,849	(3/88)
7.	Comcast	1,342,500	(1/88)
8.	United Cable	1,198,370	(4/88)
9.	Viacom Cablevision	1,097,000	(6/88)
10.	Newhouse Broadcasting	1,078,336	(6/88)
11.	Cablevision Systems Corp.	1,066,168	(5/88)
12.	Heritage Communications Inc.	1,049,736	(4/88)
13.	Jones Intercable	1,012,602	(4/88)
14.	Times Mirror Cable Television Inc.	933,541	(4/88)
15.	Sammons Communications Inc.	827,652	(2/88)
16.	UA Cablesystems Corp.	814,288	(4/88)
17.	Century Communications Corp.	680,400	(3/87)
18.	Paragon Communications	677,000	(4/88)
19.	Cooke Cablevision	618,042	(3/88)
20.	Cablevision Industries	596,081	(4/88)
21.	Adelphia Communications	594,315	(3/88)
22.	Centel Cable	542,081	(5/88)
23.	Telecable Corp.	533,196	(3/88)
24.	Rogers Cablesystems Inc.	529,708	(12/87)
25.	Daniels & Associates	525,117	(4/88)
26.	Scripps-Howard	430,990	(12/87)
27.	Wometco Cable TV Inc.	429,963	(5/88)
28.	Prime Cable Corp.	422,443	(5/88)
29.	Post-Newsweek	390,579	(4/88)
30.	Multivision Cable	381,398	(3/88)
31.	Falcon Cable TV	343,000	(2/88)
32.	TCA Group	337,999	(1/88)
33.	Lenfest Group	327,378	(4/88)
34.	Maclean Hunter Cable TV Ltd.	322,225	(5/88)
35.	Multimedia Cablevision	313,167	(4/88)
36.	Tele-Media	300,384	(3/88)
37.	Rifkin & Associates	300,200	(5/88)
38.	WestMarc Communications	268,255	(5/88)
39.	Colony Communications Inc.	258,830	(4/88)
40.	Western Communications	255,396	(6/88)
41.	TKR Cable Co.	246,824	(4/88)
42.	Simmons Communications	229,738	(4/88)
43.	Communications Service Inc.	225,000	(4/88)
44.	Star Cablevision Group	224,471	(3/88)
45.	Cencom Cable	224,052	(5/88)
46.	Taft Cablepartners	207,880	(6/88)
47.	Service Electric Cable TV Inc.	205,000	(6/88)
48.	Hauser Communications Inc.	199,141	(4/88)
49.	Harron Communications	164,389	(5/88)
50.	Media General Inc.	164,200	(6/88)
51.	Greater Media	163,924	(4/88)
52.	Columbia International	161,243	(4/88)
53.	Sutton Capital Corp.	152,053	(11/87)
54.	Palmer Communications	146,411	(4/88)
55.	Armstrong Utilities	146,203	(5/88)
56.	McDonald Group	142,548	(4/87)
57.	U.S. Cable Corp.	142,126	(3/88)
58.	Triax Communications	141,000	(6/88)
59.	Cable Systems USA	129,078	(4/88)
60.	Summit Communications	128,498	(4/88)
61.	Sonic Communications	116,656	(8/88)
62.	King Videocable	116,066	(5/88)
63.	Northland Communications	115,226	(4/88)
64.	Brenman Communications Co.	114,429	(5/88)
65.	Booth Communications	110,207	(5/88)
66.	Susquehanna Broadcasting	108,034	(4/88)
67.	Midcontinent Cable Systems Co.	96,789	(4/88)
68.	Omega Communications	90,500	(3/88)
69.	WEHCO Video	89,078	(12/87)
70.	United Video Management	86,341	(12/87)
71.	Poncor Services	85,264	(1/88)
72.	Coaxial Communications	84,859	(9/87)
73.	Selkirk Communications	73,800	(4/88)
74.	Enstar Communications	70,097	(4/88)
75.	Rock Associates	67,802	(5/88)
76.	Chambers Communications Corp.	61,471	(12/87)
77.	Mountain Cable Co.	59,746	(1/88)
78.	Insight Communications	58,964	(1/88)
79.	Cardinal Communications	57,734	(5/88)
80.	Hearst Communications of California	55,122	(4/88)
81.	Joseph Gans Cable TV	52,000	(4/88)
82.	State Cable TV	51,939	(3/88)
83.	C-TEC Cable Systems	51,365	(4/88)
84.	Douglas Communications	50,741	(3/88)
85.	Dowden Communications	50,224	(3/88)
86.	Helicon Corp.	50,000	(3/88)
87.	Bachow and Elkin Communications	49,142	(6/88)
88.	Galaxy Cablevision	48,500	(4/88)
89.	Prestige Cable TV, Inc.	48,434	(5/88)
90.	Telecat Cablevision, Inc.	47,755	(4/88)
91.	New England Cablevision	47,021	(4/88)
92.	Donrey Media Group	45,869	(4/88)
93.	CableAmerica	42,337	(5/88)
94.	Leonard Communications	42,178	(5/88)
95.	CableSouth, Inc.	41,390	(5/88)
96.	Acton Corp.	38,500	(10/87)
97.	Countryside Cable	35,000	(2/88)
98.	ParCable	34,342	(6/88)
99.	Mickelson Media, Inc.	29,876	(3/88)
100.	Harmon Cable Communications	29,202	(3/88)

Subscriber counts are provided by MSOs and systems to *CableVision*. Figures will be updated quarterly unless information is provided by MSOs or systems. Send updates to *CableVision*, Attention: Candace Drake, Cable Stats, 432 Park Avenue So., Ste. 1010, New York, NY 10016.

Top 100 Systems

Rank	Location	Operator	Basic subs	
1.	Woodbury (Long Island), NY	Cablevision Systems Corp.	302,193	(5/88)
2.	San Diego, CA	Cox Cable	284,343	(3/88)
3.	Manhattan, NY	ATC	245,000	(3/88)
4.	San Antonio, TX	Rogers Cablesystems	221,894	(12/87)
5.	East Orange, NJ	Maclean Hunter	203,117	(5/88)
6.	Puget Sound, WA	Viacom	203,000	(6/88)
7.	Honolulu, HI	ATC	194,000	(3/88)
8.	Phoenix, AZ	Times Mirror	191,126	(4/88)
9.	Houston, TX	Warner Cable	189,104	(6/88)
10.	Portland, OR	Rogers	187,442	(2/88)
11.	Hartford/Plainville/Vernon, CT	United Cable	175,300	(4/88)
12.	Chicago (suburbs)	Continental	168,000	(4/88)
13.	Louisville/Jeff. Co., KY	Storer Communications	163,722	(5/88)
14.	Wayne, NJ	UA Cablesystems	162,270	(2/88)
15.	Cincinnati, OH	Warner	158,929	(5/88)
16.	Hampton Roads, VA	Cox Cable	158,003	(3/88)
17.	Englewood, CO	United	157,204	(4/88)
18.	Rochester, NY	ATC	156,000	(3/88)
19.	Fairfax, VA	Media General	154,000	(6/88)
20.	Atlanta, GA	Prime Cable Corp.	153,557	(3/88)
21.	Jacksonville, FL	Continental Cablevision	153,000	(4/88)
22.	Tulsa, OK	United	152,127	(4/88)
23.	Connecticut Complex	Cablevision Co.	146,227	(5/88)
24.	Cherry Hills, NJ	NYT	145,075	(7/87)
25.	Orlando,FL	ATC	143,500	(6/87)
26.	Kansas City, MO	ATC	137,000	(12/87)
27.	Upper Manhattan, NY	Paragon Cable	136,000	(4/88)
28.	Buffalo, NY	Adelphia Communications	132,801	(3/88)
29.	San Jose/Campbell, CA	Gill Cable	131,600	(1/88)
30.	Baltimore County, MD	Comcast	130,000	(10/87)
31.	Charlotte, NC	ATC	128,000	(3/88)
32.	St. Louis Co., MO	Cencom Cable	127,476	(6/88)
33.	Memphis/W. Memphis, TN	ATC	126,000	(12/87)
34.	San Francisco, CA	Viacom	123,000	(6/88)
35.	Pompano, FL	Continental	123,000	(4/88)
36.	San Diego, CA	ATC	121,000	(3/88)
37.	Long Island, NY	Viacom	120,700	(3/88)
38.	Austin, TX	ATC	119,000	(3/88)
39.	Seattle, WA	TCI	112,500	(12/87)
40.	Warren, NJ	TKR	109,854	(2/88)
41.	Toledo, OH	Blade Communications	108,861	(5/88)
42.	San Juan, PR	Multivision Cable	104,757	(12/86)
43.	Jefferson Parish/Kenner, LA	Cox Cable	101,919	(3/88)
44.	Wilmington, DE	Heritage	100,972	(2/88)
45.	Dallas, TX	Heritage	100,910	(2/88)
46.	Grand Rapids, MI	UA Cablesystems	100,728	(2/88)
47.	Pinellas County, FL	Vision Cable	100,614	(6/88)
48.	Southeast Michigan	Comcast	100,031	(10/87)
49.	Tacoma, WA	Viacom	99,000	(6/88)
50.	Raleigh/Durham, N.C.	ATC	98,000	(3/88)
51.	Escondido, CA	Times Mirror	96,519	(4/88)
52.	Richmond, VA	Continental	94,584	(4/88)
53.	Dade/Broward, FL	Storer	94,577	(5/88)
54.	Indianapolis, IN	Comcast	92,000	(10/87)
55.	Boston, MA	Cablevision Co.	91,750	(5/88)
56.	Pittsburgh, PA	TCI	91,000	(12/87)
57.	Nashville, TN	Viacom	90,000	(6/88)
58.	Jackson MS/Monroe LA	ATC	89,000	(3/88)
59.	Worcester Complex, MA	Greater Media	88,349	(4/88)
60.	Milwaukee, WI	Warner	88,126	(5/88)
61.	Wichita, KS	Multimedia Cablevision	86,929	(12/87)
62.	Las Vegas, NV	Prime Cable	86,852	(5/88)
63.	Orange County, CA	Times Mirror	86,807	(4/88)
64.	Greensboro, NC	ATC	86,000	(3/88)
65.	Naples, FL	Palmer Communications	85,860	(4/88)
66.	Harrisburg, PA	Sammons Communications	82,179	(2/88)
67.	New Orleans, LA	Cox Cable	80,348	(3/88)
68.	Oakland County, MI	United	80,210	(4/88)
69.	Dover, Morristown, NJ	Sammons	80,209	(2/88)
70.	South Bend, IN	Heritage	79,789	(2/88)
71.	Baton Rouge, LA	Daniels & Assocs.	79,586	(4/88)
72.	Akron, OH	Warner	79,070	(5/88)
73.	Hillsborough, FL	Paragon	79,000	(4/88)
74.	Columbus, OH	Warner	78,454	(5/88)
75.	Indianapolis,IN	ATC	78,000	(3/88)
76.	St. Petersburg, FL	Paragon	78,000	(4/88)
77.	Albuquerque, NM	Jones Intercable	77,300	(2/88)
78.	Medford Complex (Boston Suburbs), MA	Warner	77,167	(5/88)
79.	Cleveland Heights, OH	Viacom	76,000	(6/88)
80.	South Texas, TX	Heritage	75,410	(2/88)
81.	Allentown, PA	Service Electric	75,000	(9/87)
82.	Flint, MI	Comcast	75,000	(10/87)
83.	Melbourne/Cocoa, FL	ATC	74,200	(6/87)
84.	Fayetteville, NC	ATC	74,000	(3/88)
85.	Little Rock, AR	Storer	72,681	(5/88)
86.	Providence/Warwick, RI	Times Mirror	73,605	(5/88)
87.	Omaha, NE	Cox Cable	73,361	(3/88)
88.	Ocean County, NJ	Adelphia	72,355	(3/88)
89.	Tucson, AZ	Cooke Cablevision	71,234	(3/88)
90.	Contra Costa Co. CA	WestMarc Communications	70,642	(5/88)
91.	Oklahoma City, OK	Cox Cable	70,371	(3/88)
92.	Des Moines, IA	Heritage	70,205	(2/88)
93.	Lincoln, RI	Heritage	69,977	(2/88)
94.	Santa Monica, CA	Century	69,900	(12/86)
95.	Birmingham, AL	ATC	69,000	(3/88)
96.	El Paso, TX	Paragon	69,000	(4/88)
97.	Syracuse (suburbs), NY	NewChannels Corp.	68,617	(6/88)
98.	New Haven, CT	Storer	68,082	(5/88)
99.	Madison, WI	TCI	68,000	(12/87)
100.	W. San Fernando Valley, CA	Cablevision Industries	67,870	(4/88)